



## **Legislative Fiscal Bureau**

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October 13, 2014

TO: Members  
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Net Loss/Gain to Transportation Programs Due to General Fund Transfers Since 2003-05

Our office has received a number of requests for information regarding the cumulative net loss or gain to transportation programs due to transfers of transportation fund revenues to the general fund, net of general fund-supported replacement bonds and reverse transfers from the general fund to the transportation fund. This memorandum is in response to these requests.

The starting point for this analysis is the 2003-05 biennium, when the first major transfers occurred. In this context, the term "transfer" refers to the ongoing or one-time transfer of revenues from one fund to the other, as well as direct appropriations from one fund for programs that were funded from the other fund prior to the 2003-05 biennium. In each biennium since the 2003-05 biennium, general fund-supported bonds have been issued to partially replace revenues transferred to the general fund or, in years in which no transfers to the general fund occurred, to supplement funding for transportation programs. In the 2003-05 biennium, however, debt service on replacement bonds was initially paid from the transportation fund, which added to the "loss" to transportation programs associated with the transaction. Since that time, all debt service on these bonds has been paid from the general fund.

The attached table shows the net loss or gain to transportation programs associated with transfers and bonds since the 2003-05 biennium. In the table, a loss to transportation programs is expressed as a negative number, while the use of general fund bonds or general purpose revenues for transportation programs is expressed as a positive number. For instance, in the 2009-11, 2011-13, and 2013-15 biennia, the totals are positive, indicating that the amount of general fund support for transportation programs exceeded the amount of transfers to the general fund in those years (there was no transfer to the general fund in the latter two biennia).

Under provisions of the 2013-15 biennial budget (Act 20), the total gain to transportation

programs will be \$413.7 million for the biennium, consisting of \$200.0 million in bond principal issued for the Zoo Interchange reconstruction project and \$213.7 million in ongoing and one-time transfers from the general fund. [Of the transfers from the general fund, \$9.0 million is an estimate of amounts to be transferred under a provision of the disaster damage aid program, based on road disaster costs associated with storms occurring in 2011 in northwest Wisconsin. The total transfer could vary from this amount, depending upon applications submitted by affected governments.]

After several biennia in which there was a net loss to transportation programs associated with fund transfers, budgetary measures adopted in more recent biennia have reversed this loss. With the provisions adopted under Act 20, the 12-year, cumulative total change is a net gain to transportation programs of \$313.6 million.

BL/lb  
Attachment

**Net Loss/Gain to Transportation Programs Due to Transfers**  
**(\$ in Millions)**

	<u>2003-05</u>	<u>2005-07</u>	<u>2007-09</u>	<u>2009-11</u>	<u>2011-13</u>	<u>2013-15</u>	<u>12-Year Total</u>
Transfers and Appropriations	-\$682.6	-\$431.7	-\$162.0	-\$125.6	\$0.0	\$0.0	-\$1,401.9
General Fund-Supported Bonds	565.5	250.0	50.0	204.7	115.4	200.0	1,385.6
Reverse Transfers	0.0	0.0	0.0	0.0	160.1	213.7**	373.8
Trans. Fund Debt Service	<u>-43.9*</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>-43.9</u>
Total Loss(-)/Gain(+)	-\$161.0	-\$181.7	-\$112.0	\$79.1	\$275.5	\$413.7	\$313.6

\* In the 2003-05 biennium, debt service on replacement bonds was initially paid from the transportation fund.

\*\* Includes an estimated transfer of \$9.0 million under a transfer provision of the road disaster damage aid program.